

# Plan to encourage small businesses the right strategy

It is encouraging that a group of state lawmakers wants to make it easier for businesses, especially smaller ones, to develop and thrive in Maine.

Some might say it is about time. After all, the state has a growing reputation for being unfriendly to business.

Maine's future relies on reversing this perception.

A group of Democrats from the state House of Representatives, led by Majority Leader John Richardson, D-Brunswick, announced a plan last week that seeks to make it easier to do business in Maine.

Rep. Stanley A. Moody, D-Manchester, is one of the driving forces behind the new economic-development strategy, which he says emphasizes "growth from within."

Republican lawmakers are supportive of this effort. That support has not come without a jab, however, from Assistant House Minority Leader David E. Bowles, R-Sanford, who said that 30 years of a Democrat majority in that Legislature has given Maine the nation's second-highest tax burden and the "reputation for being second most difficult state in which to create and grow a business."

Partisanship aside, it is encouraging to see lawmakers from both parties — and Gov. John E. Baldacci — placing a top priority on creating more small businesses in Maine. Depending on the data you choose to believe, between 70 percent and 85 percent of the workers in Maine are employed by small businesses.

The proposal, for which legislators are gathering input from business owners statewide, contains several goals — some rather simple.

Overall, the legislators are seeking better coordination of programs and services that are already in place, while making other changes that should encourage small-business development.

Based on what we have seen

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so far, we like where this idea is going. To start, lawmakers want to simplify the process involved in establishing a business, beginning with the number of forms and other paperwork now required of entrepreneurs.

Why discourage people right off the bat, after all?

The plan, still a work in progress, also seeks to:

- Reduce the capital-gains tax for investments.

- Expand seed funds to businesses that do not qualify under current standards.

- Establish a business court to expedite business-related litigation.

- Establish a statewide business-assistance phone line.

- Have the Maine Community College System provide classes and programs that teach how to start a business.

- Help students who live and work in Maine repay their college loans.

Details have yet to be finalized, but lawmakers behind the plan say they hope to introduce legislation in January.

We are guardedly optimistic about this given the Legislature's inadequate performance in the last session, especially involving tax reform.

But whenever the small-business plan is presented, we think we will like what we see.